

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 7/22/2014	(3) CONTACT/PHONE Josh Heptig 781-1318	
(4) SUBJECT Request to approve a contract with Golden State Golf Company for management of the golf shop and food and beverage operations at Morro Bay Golf Course for approximately \$130,000 of annual revenue. District 2.			
(5) RECOMMENDED ACTION It is recommended that the board approve the attached ten-year agreement with Golden State Golf Company for the management of the golf shop and food and beverage operations at Morro Bay Golf Course.			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$130,000 (revenue)	(8) ANNUAL FINANCIAL IMPACT \$130,000 (revenue)	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) District 2			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Josh Heptig
781-1318

DATE: 7/22/2014

SUBJECT: Request to approve a contract with Golden State Golf Company for management of the golf shop and food and beverage operations at Morro Bay Golf Course for approximately \$130,000 of annual revenue. District 2.

RECOMMENDATION

It is recommended that the board approve the attached ten-year agreement with Golden State Golf Company for the management of the golf shop and food and beverage operations at Morro Bay Golf Course.

DISCUSSION

Morro Bay Golf Course has been operated by the County of San Luis Obispo under a lease from the California Department of Parks and Recreation (CDPR) since 1945. Through this lease, the County has the responsibility to operate, control, and maintain Morro Bay State Park Golf Course and clubhouse, along with several other properties including Cayucos Beach, Cayucos Pier and Cayucos Veteran's Building. This lease also allows the County to select concessionaires in accordance with Public Resource Code Section 5080.30 to establish, maintain, and operate the clubhouse facilities of the golf course.

In 2010, negotiations began to amend the lease agreement between the County and CDPR in preparation to conduct Requests for Proposal (RFP) for a new golf course concessions contract. The current concession contract expired January 2011 and has since been operating on a month to month basis. An amendment to the agreement with CDPR to transfer ownership of Pecho Valley Road from the County to CDPR was approved by the Board of Supervisors in October 2012 and by CDPR in January 2013. The amendment became effective July 1, 2013 and also extended the County's contract to provide recreation, operate, control and maintain the properties of Morro Bay State Park Golf Course, Bishop Peak, Beach, Pier, Veterans' Memorial Building, and Old Creek located within Cayucos State Beach from 2019 to 2024. Since that time, County staff has been involved preparing and executing the RFP process.

GSA-County Parks' staff prepared the RFP documents based upon the goals and objectives of the golf program along with input from the golfing public. The goal was to seek a concession operator that would best satisfy the needs of the general public that utilize the amenities at Morro Bay State Park Golf Course while protecting the assets and resources of the property.

GSA-County Parks released the RFP documents on March 21, 2014. Five proposals were received. County Parks and Real Property Services staff, assisted by CDPR and local agencies' staffs vetted the proposals in detail and selected the best qualified candidate that is able to provide affordable golf recreational opportunities for the residents and visitors to the County during the next ten years. Golden State Golf Company has operated Chalk Mountain Golf Course for the County for the past seventeen years. During this period of time the golf industry has experienced a dramatic decline and Golden State Golf Company has continued to make improvements to the property and succeeded when many operators have had to close their doors. The attached concessionaire agreement between GSA-County Parks and Golden State Golf Company for the operation of Morro Bay Golf Course has been prepared by staff for Board consideration.

OTHER AGENCY INVOLVEMENT/IMPACT

The GSA-County Parks, City of Morro Bay Recreation and Parks, City of San Luis Obispo Parks and Recreation, California Department of Parks and Recreation and GSA-Real Property Services participated in the review of submitted proposals and the assisted in final selection. County Counsel and Risk Management have reviewed the agreement as to form and legal content.

FINANCIAL CONSIDERATIONS

There are no expenditures necessary by GSA-County Parks for the implementation of the concession contract. All associated costs will be the responsibility of the concessionaire. The County will receive an annual rental payment of \$75,000 with an additional fee of 5% paid to the county based on the gross receipts of the Contractor. It is anticipated that GSA-County Parks will receive \$130,000 of revenue in the first year of the contract. This revenue is similar to what the County currently receives as compensation for the use of the facility. Additionally, the contractor will create a Capital Improvement Account, in which \$1,500 will be deposited with the County each month to address facility improvements. Over the ten-year term of the agreement, this account will provide \$180,000 for the sole use to address improvements at the Morro Bay Golf Course.

RESULTS

Approval of the concession contract between GSA-County Parks and Golden State Golf Company will provide a 10 year agreement commencing on August 18, 2014. Providing quality affordable golf recreational services supports the Board's goals of providing a healthy and livable community.

ATTACHMENTS

- A. MBGC Contract
- B. Exhibit A- Vicinity Map
- C. Exhibit B- Clubhouse Floor Plan
- D. Exhibit C- Maintenance Schedule